

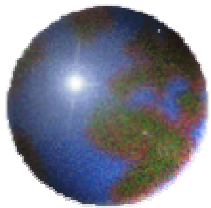
Hawai'i Tourism Asia

2005 Marketing Plan Rollout Other Asia MMA

September 2004

**Marketing
Garden**

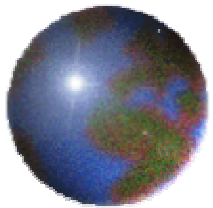




Agenda

- 1. Asia Market Updates**
- 2. 2004-2005 Asia Marketing**
- 3. Opportunities to Partner**





Market Updates



Korea

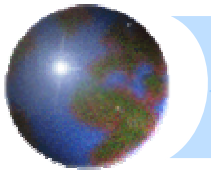


China



Taiwan

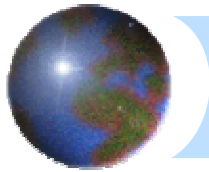




Korean Economic Update:

- ✚ **Industrial production soaring 13.5% in 2004 year-on-year**
- ✚ **Exports and Imports exploding 39% and 38% respectively in 2004 to date**
- ✚ **A strong 1st Quarter 2004 has given way to a weak 2nd Quarter – retail sales down 1.6%**
- ✚ **Consumer optimism has started to ebb**
- ✚ **Interest rates are falling in contrast to gradually rising rates elsewhere**
- ✚ **Growing lack of confidence in future economic growth among major corporate investors and consumers**

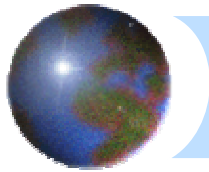




Korea Travel Market Update:

- ✪ **5 million outbound passengers January-July 2004, up 31% from 2003**
- ✪ **Total projected outbound travel for 2004 is 8 million, only 2 years after topping 7 million for the first time....amazing growth**
- ✪ **Travel to the U.S., however, is down 5% due to stricter visa controls**
- ✪ **The visa application system by internet is very time-consuming and complex, and the system was down in July until mid-August – peak travel time**

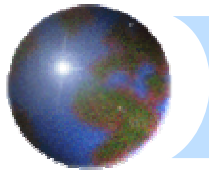




Korea Travel Market Trends:

- ✿ **The traditional 6-day work week has just given way to a 5-day work week, leading to a boom in short-haul intra-Asian travel**
- ✿ **Internet use to research and book travel continues to soar, with Korea being the most connected country in the world**
- ✿ **Booming on-line FIT bookings -- a shift away from traditional group travel**
- ✿ **Increasing price-sensitivity to package pricing**
- ✿ **Consolidation as the larger Korean agents seize market share, and launch TV advertising for the first time ever**

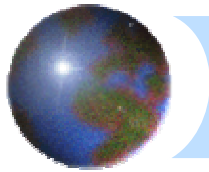




China Economic Update:

- ✚ **Incredibly fast growth of 9.7% in first half of 2004**
- ✚ **Retail sales booming – up 13% year-on-year**
- ✚ **Exports soaring – up 34% year-on-year**
- ✚ **Per capita disposable incomes up an amazing 11.9% for urban residents and up 16.1% for rural residents**
- ✚ **Industrial profits up 39.7% in the first 7 months**
- ✚ **China is the world's #1 recipient of foreign direct investment, up 15% in 2004 to date**
- ✚ **Inflation expected to fall as low as 2% in the second half of 2004**

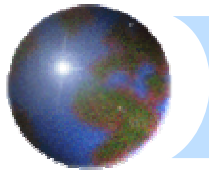




China Travel Market Update:

- ✿ 13.3 million outbound travelers from January to June 2004
- ✿ Outbound travel is up a phenomenal 87% over 2003 and 136% up over 2002 levels
- ✿ In 2003, China was already the number one outbound travel market in Asia, surpassing Japan, and this lead will only grow in 2004
- ✿ Short-haul Asian destinations are most popular including Hong Kong, Macau, Japan, Russia, Vietnam, Korea, Thailand, Singapore, and Malaysia
- ✿ The only destination in the top 10 outside Asia is the U.S.A.
- ✿ The Shanghai consulate issued 60,000 visas since 2003, up 20% year-on-year

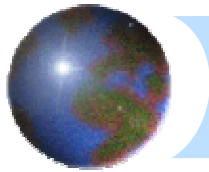




China Travel Market Trends:

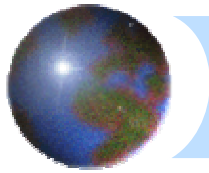
- ✿ The opening of Europe to Chinese tour groups on September 1 has created a mini boom to Europe
- ✿ Tours to western Europe at above \$1,600 per person, with high-end packages at over \$2,500 – and they are selling out
- ✿ There is a high net worth high-spend niche market in China that Hawaii must tap
- ✿ Developed Asian markets such as Thailand and Singapore are seeing a rapid shift to FIT travel
- ✿ Other destinations are spending millions on promotions in China, including a \$4 million China marketing budget for Australia
- ✿ The key challenges for Hawaii remains the visa barrier, and lack of direct air access





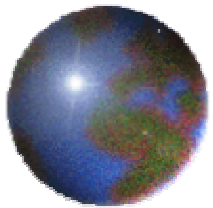
Taiwan Economic Update:

- ✿ **Strong growth of 6% projected for 2004**
- ✿ **Exports have soared 26% year-on-year**
- ✿ **Imports up an incredible 42% year-on-year**
- ✿ **Full recovery of the Taiwanese economy from the devastation caused by SARS in 2003**
- ✿ **Unemployment at 4.5% and stable**
- ✿ **Foreign direct investment up 41.8% in 2004 year-to-date**



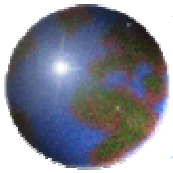
Taiwan Travel Market Update:

- ❖ **4.5 million outbound travelers from January to July 2004**
- ❖ **Phenomenal growth of 52% year-on-year due to impact of SARS in 2003**
- ❖ **Short-haul Asian destinations are most popular including China, Hong Kong, Japan, Singapore, Malaysia, Australia, Europe, and the U.S.**



2004-2005 Asia Marketing

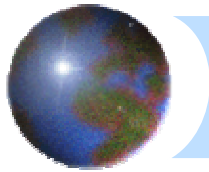




Strategy Update

- ☑ **Huge growth in outbound travel**
- ☑ **Weak demand for U.S. travel**
- ☑ **Hawaii Tourism Asia's key strategies in this environment are:**

- ⊕ **Media Relations**
- ⊕ **Travel Trade Marketing**
- ⊕ **Consumer Promotions**



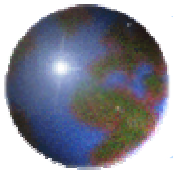
Media Relations/PR Strategy

Key Media Relations Strategies

- ❑ **Raise the visibility of Hawaii in key Asian media – Korea focus**
- ❑ **Launch targeted and consistent promotions**
- ❑ **Leverage a limited budget via unpaid media coverage and negotiated tie-ups**
- ❑ **Increase volume of Hawaii media coverage**
- ❑ **De-emphasize High Cost Advertising**

Activities

- ❑ **Daily media calls**
- ❑ **10-20 monthly press releases in three languages**
- ❑ **Monthly newsletter in three languages**
- ❑ **Group/Individual media trips to Hawaii**
- ❑ **Relationship building/events**

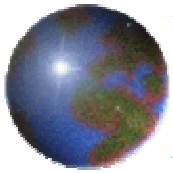


Korea Media Relations/PR

**Equivalent advertising value of Korea media
January-August 2004**

\$91.4 million

Cost to Hawaii Tourism Korea: \$18,000

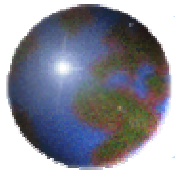


China Media Relations/PR

**Equivalent advertising value of China media
January-August 2004**

\$6.6 million

Cost to Hawaii Tourism China: \$8,000



Taiwan Media Relations/PR

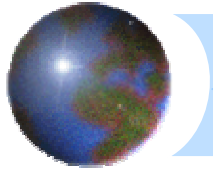
**Equivalent advertising value of Taiwan media
January-August 2004**

\$3 million

Cost to Hawaii Tourism Taiwan: \$4,000

Summary: Big Island offers so many great attractions for tourists





Publication: Korea Travel Times
Date: July 29, 2004
No. of Page(s): 2 full pages
Circulation: 65,000
AD Value: US\$80,000
Readership: Travel agents/wholesalers/airlines/trade
Headline: Hawaii Special Report
Summary: Hawaii Tourism Korea's Active Promotions & Major
Hotel Resorts in Hawaii

2014
2014 2014년 7월 29일 목요일

여행신문
HAWAII
 Special Edition
 한이이 관광특

지상 최고의 휴양지 홍보 주력

HAWAII HOT NEWS

수려한 자연의 아름다움

하와이에는 아름다운 자연의 아름다움과 함께 다양한 문화유산이 있다. 하와이에는 아름다운 자연의 아름다움과 함께 다양한 문화유산이 있다.

세계에서 두 번째로 멋진 섬 '하와이'

하와이는 세계에서 두 번째로 멋진 섬이다. 하와이는 세계에서 두 번째로 멋진 섬이다.

하와이 여행, 가나 VOD 서비스 도입

하와이 여행을 가나 VOD 서비스를 도입했다. 하와이 여행을 가나 VOD 서비스를 도입했다.

코나 리조트 리노베이션 착수

코나 리조트 리노베이션 착수했다. 코나 리조트 리노베이션 착수했다.

다우니 해변의 아름다운 풍경

다우니 해변의 아름다운 풍경이다. 다우니 해변의 아름다운 풍경이다.

HVDC, 호텔리어와 세제 시스템

HVDC, 호텔리어와 세제 시스템을 도입했다. HVDC, 호텔리어와 세제 시스템을 도입했다.

하와이 관광특은 하와이 관광특을 소개하고 있다. 하와이 관광특은 하와이 관광특을 소개하고 있다.

결혼 박람회 여행사 지원...골프 프로그램도

결혼 박람회 여행사 지원...골프 프로그램도 소개하고 있다. 결혼 박람회 여행사 지원...골프 프로그램도 소개하고 있다.

무비자 시대 대비 활발한 활동 인지도 높아

무비자 시대 대비 활발한 활동 인지도 높아지고 있다. 무비자 시대 대비 활발한 활동 인지도 높아지고 있다.

하와이 관광특은 하와이 관광특을 소개하고 있다. 하와이 관광특은 하와이 관광특을 소개하고 있다.

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2014
2014 2014년 7월 29일 목요일

여행신문
HAWAII
 Special Edition
 한이이 관광특

놀라워! 특집

놀라워! 특집

놀라워! 특집

놀라워! 특집을 소개하고 있다. 놀라워! 특집을 소개하고 있다.

놀라워! 특집

놀라워! 특집을 소개하고 있다. 놀라워! 특집을 소개하고 있다.

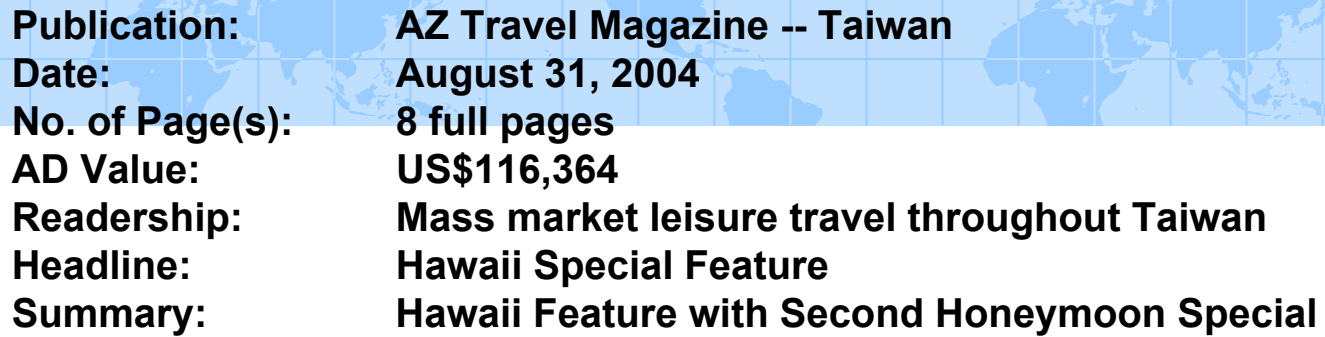
하와이 관광특은 하와이 관광특을 소개하고 있다. 하와이 관광특은 하와이 관광특을 소개하고 있다.

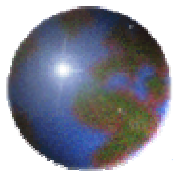
놀라워! 특집

놀라워! 특집을 소개하고 있다. 놀라워! 특집을 소개하고 있다.

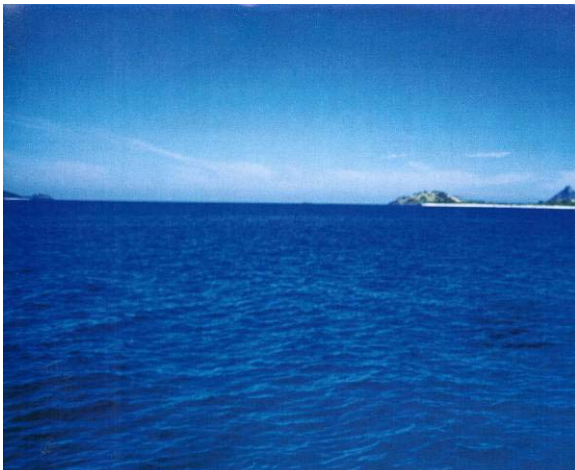
놀라워! 특집

놀라워! 특집을 소개하고 있다. 놀라워! 특집을 소개하고 있다.





Publication: 7 Watch
Date: Aug 2004
No. of Page(s): 4
Circulation: 150,000
AD Value: US\$ 65,455
Headline: Waikiki beach



全球十大絕美海灘

奔向蔚藍大海的

碧海。藍天。白沙。熱浪

大海總是與陽光揉雜，聯手展現溫柔的風情。利用海風與海浪，傳遞著催眠密語，甜膩讓人抵擋不了，紛紛向海鳥沙灘慢慢邁進，湧動的激情，浸透在空氣中，久久不散去，教人沉溺陶醉。這般悠閒浪漫的沙灘情懷，跟著海洋，漫過了世界五大洲，在世界各地勾引戲水人潮，放開緊繃的心情，與愜意的海鳥沙灘談情戀愛。

台灣文／范安樂 白麗雲／李淑芬 呂聖榮 傅英怡 劉清俊
 台灣文／范安樂 白麗雲／李淑芬 呂聖榮 傅英怡 劉清俊
 台灣文／范安樂 白麗雲／李淑芬 呂聖榮 傅英怡 劉清俊

018 以愛為名



Aloha!

DATA

位置：北太平洋南部
 最佳旅遊時間：全年
 適合從事活動：游泳、日光浴、
 潛水、衝浪、
 帆船、遊艇出
 遊、釣魚、浮
 潛、水肺潛水、
 潛水艇

海灘類型：老少咸宜的度假海灘
 注意事項：不諳水性的遊客至海
 灘戲水時，應注意安
 全區域標示

指數大評比

舒適指數★★★★★
 人氣指數★★★★★
 遊樂健康指數★★★★☆

Special

衝浪、風帆
 全球公路的最佳衝浪、風帆運動
 地點，浪高佳，浪長且穩，風速
 強，遊客可參加當地俱樂部衝浪
 與風帆課程。

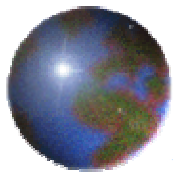
夏威夷威基基
 洋溢愛情的蜜月島嶼

曾經是夏威夷皇族避暑沙灘，位於歐胡島（Oahu）南端的威基基（Waikiki），柔細的白沙沙灘綿延出海天一色的絕佳景致，是世界著名的海灘之一。這裡海岸長，沙灘細，海水碧，椰影婆娑，加上氣候四季溫和，遊樂設施完善安全，吸引不少全球喜歡海水活動者與蜜月新人的夫妻到此度假。其中以庫希歐海灘（Kuhio Beach）最受歡迎，只要是晴空萬里的日子，必定擠滿戲水人潮。

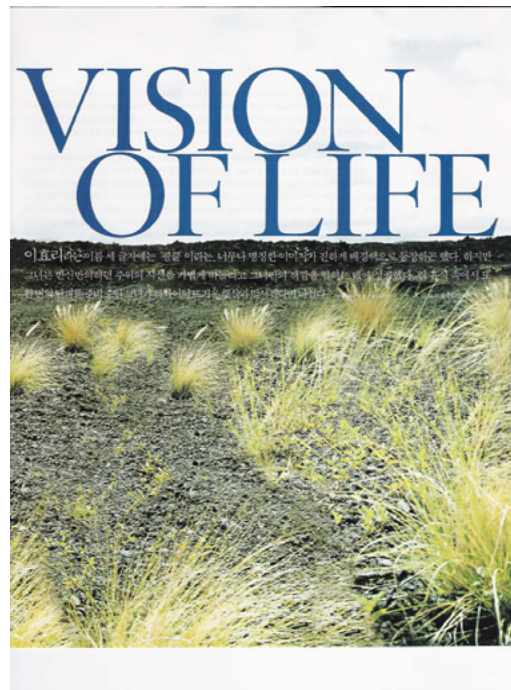


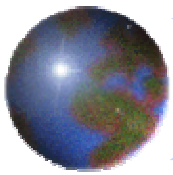
020 以愛為名





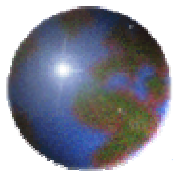
Publication: InStyle Korea
Date: July 2004
No. of Page(s): 20
Circulation: 150,000
AD Value: US\$240,000
Readership: Women in 20~30s, especially fashion leaders
Headline: Vision of Life – Hyolee's Hawaii Trip
Summary: Korea's most popular celebrity Hyolee's visit to Hawaii and fashion photo shoot





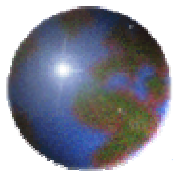
Publication:	Harper's Bazaar Korea
Date:	August 2004
No. of Page(s):	10
Circulation:	150,000
AD Value:	US\$120,000
Readership:	Women in 20~30s, especially fashion leaders
Headline:	Honeymoon to Hawaii
Summary:	Korea's most popular celebrity couple Lee Hye Young
	Dreamlike Hawaii Honeymoon Story





Type: MBC-TV Coverage <Limsunghoon Show>
Date: July 19 & 22, 2004
Length: 55 minutes
Viewership: Mass market viewers from teens~50s
No. of audience: 5,900,000
AD Value: US\$1.8 Million
Headline: Celebrity Couple's Honeymoon in Hawaii
Summary: Korea's currently most popular celebrity couple Lee Sangmin & Lee Hye Young's honeymoon story





Type: KBS-TV Coverage <YoYu ManMan> & <Entertainment Tonight>

Date: August 7 & 11, 2004

Length: 65 minutes

Viewership: Network TV viewers from teens to 50s

Audience: 5,500,000

AD Value: US\$1.9 Million

Headline: Singer Undo Seol's Wedding Renewal Ceremony in Hawaii

Summary: Korea popular singer Seol couple visited Hawaii for their 15th wedding anniversary and re-honeymoon in Hawaii



KBS 연예가중계 2004-08-07

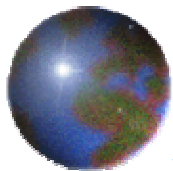


KBS 연예가중계 2004-08-07



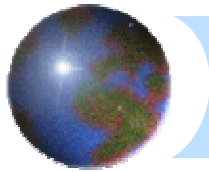
KBS 연예가중계 2004-08-07





Type: SBS-TV Coverage <Good Morning> & <Entertainment Express>
Date: June 14 & 16, 2004
Length: 35 minutes
Viewership: General viewers from 10~50s
No. of audience: 5,000,000
AD Value: US\$850,000
Headline: TV star couple Nam & Kim's Hawaii Honeymoon
Summary: The celebrity couple experienced Hawaiian style wedding and visited tourist attraction points of Oahu for their honeymoon

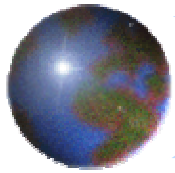




Travel Trade Marketing

Key Travel Trade Marketing Strategies

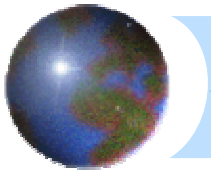
-  **Continue to deepen Travel Trade Relationships**
-  **Expand number of packages/range of packages (Korea & Taiwan)**
-  **Educate/motivate travel agents to market Hawaii aggressively**
-  **Emphasize diversity/versatility of Hawaii**
-  **Increase Shoulder Season Travel**
-  **Increase Visitor Expenditure**
-  **Develop Airlift Capacity (China & Taiwan)**



Travel Trade Marketing

Core Activities

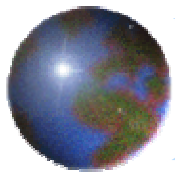
- ❖ **Daily sales calls**
- ❖ **Monthly newsletter in 3 languages**
- ❖ **Training/educational seminars**
- ❖ **Group fam trips (Next: Oct.12-17 with 15 agents)**
- ❖ **Tie-up promotions with key agents**
- ❖ **New package/tour development – Korea & Taiwan**
- ❖ **Trade shows – KOTFA/CITM/ITF/PATA**
- ❖ **Relationship building/events**



Travel Trade Marketing

Example -- KOTFA

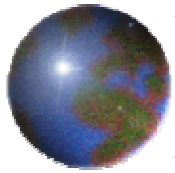
- ❏ **Largest Korean travel show with 86,000 visitors**
- ❏ **Hawaii booth half the size of previous years, developed at a quarter of the cost**
- ❏ **Joint booth with Hilton, Hyatt, Starwood, Marriott, Aloha, and Hawaiian**
- ❏ **Best Booth Design Award – open, welcoming, highly visible**



Travel Trade Marketing

✪ KOTFA -- Booth



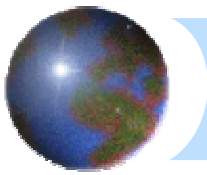


Travel Trade Marketing

✦ **KOTFA -- Travel Trade Dinner**





- ✦ Opening night
- ✦ Travel trade dinner for 130 key agents – fun/educational
- ✦ Thank you for key travel trade
- ✦ Over 100 prizes/\$10,000 in prizes contributed by sponsors



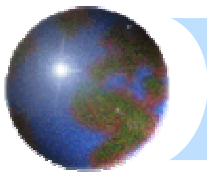


Travel Trade Marketing

KOTFA -- Shopping Mall Performances

-  Coex mall Hula performances
-  Largest underground mall in Korea
-  Two performances per day for thousands
-  No cost



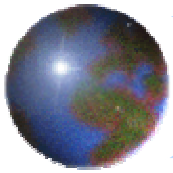


Travel Trade Marketing

KOTFA -- Top Department store tie-up





- ❑ Hyundai Department store tie-up
- ❑ Outdoor runway for our performances
- ❑ 50,000 direct mails sent to Hyundai card-holders
- ❑ Advertised in daily newspapers
- ❑ United provides 6 roundtrip giveaways
- ❑ No cost to Hawaii tourism







Travel Trade Marketing

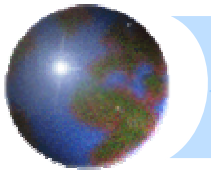
KOTFA -- Hotel Tie-up

-  Novotel tie-up
-  2 daily performances
-  Newspaper coverage
-  Comp rooms for all staff

KOTFA -- Survey/Giveaways






-  Survey collected at KOTFA booth from over 1000 consumers
-  Unique cell phone giveaway provided to consumers who completed the survey








Consumer Promotions

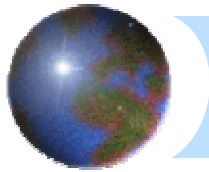
Key Consumer Marketing Strategies

-  **Raise the visibility of Hawaii among consumers**
-  **Launch targeted and consistent promotions**
-  **Leverage a limited budget via corporate tie-ups**
-  **De-emphasize High Cost promotions**
-  **Third and lowest priority compared with media/press relations and travel trade marketing**

Activities

-  **Large scale consumer promotions**
-  **New web-sites in 3 languages**
-  **Consumer shows – KOTFA/Weddex/CITM/TITF**

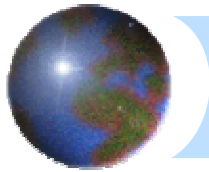




Consumer Promotions




Example #1 – Coca-Cola & Korean Air

-  **\$7 million joint Hawaii Festival consumer promotion with Coca-Cola and Korean Air**
-  **3 million consumers exposed via Coca-Cola**
-  **10 million consumers exposed via Korean Air**
-  **1 million impressions in newspapers**
-  **Special coverage in Hawaii Tourism Korea newsletter**
-  **Press releases**
-  **Cost to Hawaii Tourism -- \$2,500**

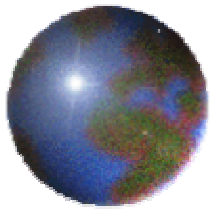


Consumer Promotions

Example #2 – General Motors China

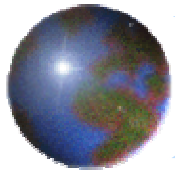
-  **Hawaii Tourism China has spent 4 months in negotiations and conducting market surveys with General Motors for a nationwide consumer promotion**
-  **Budget: \$300,000 to be contributed by General Motors and to involve all dealerships nationwide in a Hawaii trip/giveaway contest for buyers**
-  **The promotion is on hold for the following reasons:**
 - ⇒ **Visa delay: 52 days on average - prohibitively long given, the promotion will only last 180 days**
 - ⇒ **Risk that GM would giveaway trips only to have the winners denied visas to Hawaii**
 - ⇒ **General Motors did in-depth research of its members and found that 80% don't have passports - further delaying their ability to travel within the promotion period**
 - ⇒ **Those without overseas travel experience are the most likely candidates to be rejected for U.S. visas**
 - ⇒ **If winner overstay their visas in the U.S., General Motors will face a major political problem**





Opportunities to Partner

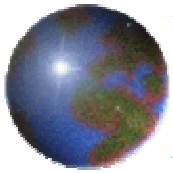




Opportunity Summary

- **Monthly E-mail blast updating on Hawaii Tourism Asia activities**
- **Travel trade Fam Trips at least once every two months to Hawaii for key planners in China, Korea, and Taiwan**
- **Monthly group and individual media trips by Asian media**
- **Monthly newsletter with vendor news/campaigns etc. sent to over 5000 wholesalers and media in Asia**
- **Three new Asia web-sites with event calendars, news updates monthly**
- **Participation opportunities in 3 major and 4-5 minor Travel Trade/Consumer Shows in Asia**
- **Make sales calls to Asia and let us help you set up a powerful schedule of media and travel trade calls**





Opportunities to Partner



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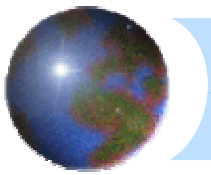


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Hawai'i Tourism Asia